

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**SB 1030 - HB 1340**

March 27, 2017

**SUMMARY OF BILL:** Sets the Basic Education Program (BEP) instructional salary for teachers at the FY15-16 state average.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – \$272,028,600/BEP**

**Increase Local Expenditures – \$5,131,000/BEP**

Assumptions:

- The salary unit for teachers for BEP calculation in FY17-18 will be \$46,225 with 16.73 percent for benefits, or \$7,733 ( $\$46,225 \times 16.73\%$ ).
- The FY15-16 statewide average teacher salary is estimated to be \$51,386.
- Based on information from the Department of Education (DOE), the BEP generates funds for 64,506 of the 64,939 teachers employed statewide according to state report card.
- The state provides an average of 70 percent of the BEP funds generated.
- The recurring increase in state expenditures as a result of this bill is estimated to be \$272,028,556 [ $(\$51,386 - \$46,225) \times 64,506 \text{ teachers} \times 1.1673 \text{ factor to include benefits} \times 70.0\% \text{ state BEP portion}$ ].
- Based on information provided by the DOE, most local education agencies (LEAs) spend at a current level to meet the requirements of the legislation; however 20 LEAs would be required to increase their total spending to meet the requirements of the legislation.
- Based on the information provided by the DOE, the recurring increase in local government expenditures for the 20 applicable LEAs to meet the requirements of the legislation is estimated to be \$5,130,954.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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